

INVENTORY-SALES RATIOS OF MANUFACTURING AND TRADE FIRMS

In response to many requests, the BUREAU is adding series on stock-sales ratios for manufacturing and trade firms to its regularly presented monthly statistical data. The table below provides ratios starting in 1965. These will be updated on this page for the next several months and then incorporated in the 8-pages in the Monthly Business Statistics Section.

The stock-sales ratios are based on the seasonally adjusted sales and inventory series presented regularly for manufacturing and trade on pages 8-4, 5, 9, and 10. The ratios are derived by dividing end-of-month inventory book values by

total sales during the month. No adjustments have been made to bring inventory book values, which are typically valued at the lower of cost or market, up to the level of selling prices.

Stock-sales ratios are frequently used in evaluating the current position of inventory holdings. While useful in this respect considerable caution must be used in such analyses. In addition to the problem of selecting a "normal" historical period for use as a frame of reference, appraisal is rendered difficult by the many cyclical and secular factors which are operative.

From a cyclical point of view, stock-sales ratios are generally inversely related to business activity, that is, the ratios tend to rise (fall) as sales decline (rise). Typically the change in direction of the inventory movement tends to occur sometime after the turn in sales. Over the longer run, stock-sales ratios are affected by changing efficiencies in the handling of inventories due to such factors as improvements in transportation, better control by management, increasing use of electronic data processing techniques, and other change in technology.

Year and month	Total manufacturing and trade	Manufacturing								Wholesale trade			Retail trade			
		Total	Durable goods industries				Nondurable goods industries				Total	Durable goods	Non-durable goods	Total	Durable goods	Non-durable goods
			Total	Purchased materials	Goods-in-process	Finished goods	Total	Purchased materials	Goods-in-process	Finished goods						
1965																
January	1.42	1.74	1.98	0.55	0.80	0.03	1.40	0.61	0.31	0.87	1.03	1.39	0.83	1.50	1.97	1.50
February	1.33	1.72	1.98	.55	.80	.03	1.40	.61	.31	.87	1.04	1.37	.84	1.62	1.97	1.50
March	1.49	1.68	1.91	.58	.78	.01	1.48	.60	.20	.98	1.31	1.35	.82	1.60	1.90	1.50
April	1.49	1.60	1.92	.52	.78	.01	1.48	.60	.20	.86	1.31	1.35	.81	1.50	1.90	1.50
May	1.45	1.60	1.86	.53	.76	.00	1.48	.60	.20	.95	1.31	1.33	.82	1.40	1.95	1.50
June	1.48	1.65	1.80	.50	.76	.00	1.45	.60	.21	.81	1.31	1.34	.81	1.52	1.93	1.50
July	1.45	1.61	1.83	.50	.75	.00	1.45	.60	.21	.84	1.32	1.34	.83	1.62	1.92	1.50
August	1.60	1.69	1.91	.58	.73	.04	1.40	.60	.21	.86	1.34	1.33	.86	1.51	1.88	1.50
September	1.48	1.65	1.87	.53	.75	.00	1.44	.59	.21	.84	1.34	1.33	.85	1.48	1.85	1.50
October	1.50	1.71	1.95	.57	.76	.00	1.47	.61	.21	.85	1.34	1.34	.85	1.49	1.85	1.50
November	1.49	1.68	1.90	.57	.79	.00	1.45	.60	.21	.84	1.33	1.31	.84	1.50	1.91	1.50
December	1.50	1.68	1.94	.54	.81	.00	1.44	.59	.20	.84	1.32	1.32	.83	1.53	1.94	1.50
1966																
January	1.51	1.70	1.95	.54	.81	.00	1.45	.59	.20	.85	1.33	1.31	.84	1.55	2.07	1.50
February	1.54	1.72	1.98	.50	.82	.01	1.46	.59	.20	.86	1.35	1.35	.80	1.50	2.15	1.50
March	1.37	1.70	2.10	.50	.85	.03	1.46	.60	.20	.87	1.39	1.38	.80	1.54	2.07	1.50
April	1.55	1.77	2.00	.50	.85	.03	1.48	.60	.20	.88	1.39	1.39	.80	1.55	2.10	1.50
May	1.54	1.79	2.13	.50	.80	.03	1.47	.59	.20	.87	1.39	1.38	.80	1.62	2.05	1.50
June	1.57	1.81	2.12	.50	.80	.04	1.52	.60	.21	.90	1.38	1.38	.80	1.61	1.98	1.50
July	1.69	1.87	2.22	.50	.80	.04	1.52	.60	.21	.91	1.39	1.42	.80	1.59	1.95	1.50
August	1.57	1.83	2.12	.50	.80	.04	1.53	.61	.21	.91	1.40	1.45	.80	1.60	1.92	1.50
September	1.60	1.87	2.19	.51	.83	.00	1.53	.62	.21	.93	1.43	1.52	.80	1.63	1.94	1.50
October	1.50	1.89	2.10	.50	.80	.03	1.50	.60	.21	.90	1.41	1.49	.80	1.57	1.85	1.50
November	1.57	1.83	2.14	.50	.80	.03	1.53	.60	.21	.91	1.40	1.48	.80	1.44	1.81	1.50
December	1.50	1.81	2.11	.50	.85	.03	1.51	.60	.21	.91	1.40	1.48	.80	1.44	1.85	1.50
1967																
January	1.54	1.75	2.06	.50	.85	.02	1.45	.67	.20	.86	1.41	1.43	.80	1.47	1.88	1.50
February	1.55	1.79	2.06	.50	.81	.03	1.49	.60	.20	.90	1.41	1.47	.80	1.46	1.88	1.50
March	1.60	1.88	2.05	.51	.84	.00	1.50	.61	.20	.90	1.42	1.48	.80	1.48	1.90	1.50
April	1.58	1.87	2.05	.51	.84	.00	1.54	.60	.20	.90	1.43	1.49	.80	1.50	1.91	1.50
May	1.61	1.88	2.04	.50	.84	.00	1.50	.60	.20	.90	1.43	1.49	.80	1.50	1.91	1.50
June	1.61	1.91	2.05	.50	.84	.00	1.50	.61	.20	.90	1.43	1.49	.80	1.50	1.91	1.50
July	1.58	1.88	2.05	.50	.85	.00	1.50	.60	.20	.90	1.43	1.49	.80	1.50	1.91	1.50
August	1.58	1.88	2.05	.50	.85	.00	1.50	.60	.20	.90	1.43	1.49	.80	1.50	1.91	1.50
September	1.62	1.92	2.05	.50	.84	.00	1.57	.60	.20	.90	1.43	1.49	.80	1.50	1.91	1.50
October	1.64	1.94	2.05	.50	.85	.00	1.50	.60	.20	.90	1.43	1.49	.80	1.50	1.91	1.50
November	1.64	1.94	2.05	.50	.85	.00	1.50	.60	.20	.90	1.43	1.49	.80	1.50	1.91	1.50
December	1.57	2.01	2.03	.53	.87	.00	1.61	.65	.20	.90	1.43	1.49	.80	1.50	1.91	1.50
1968																
January	1.68	2.01	2.42	.60	.98	.08	1.62	.64	.22	.77	1.48	1.73	.89	1.40	2.06	1.47
February	1.72	2.05	2.51	.60	.99	.08	1.64	.65	.22	.77	1.50	1.80	.88	1.52	2.23	1.47
March	1.79	2.09	2.58	.60	1.01	.08	1.67	.66	.22	.78	1.50	1.80	.88	1.51	2.23	1.47
April	1.60	2.08	2.56	.60	1.02	.08	1.64	.65	.22	.77	1.48	1.73	.88	1.44	2.11	1.48
May	1.60	2.02	2.48	.60	.97	.08	1.62	.65	.22	.75	1.44	1.70	.85	1.44	2.10	1.48
June	1.63	1.85	2.40	.55	.94	.08	1.62	.65	.22	.75	1.44	1.70	.85	1.44	2.10	1.48
July	1.58	1.87	2.37	.55	.94	.08	1.58	.65	.22	.75	1.44	1.70	.85	1.44	2.10	1.48
August	1.58	1.87	2.37	.55	.94	.08	1.58	.65	.22	.75	1.44	1.70	.85	1.44	2.10	1.48
September	1.58	1.87	2.37	.55	.94	.08	1.58	.65	.22	.75	1.44	1.70	.85	1.44	2.10	1.48
October	1.53	1.84	2.30	.55	.94	.08	1.51	.61	.21	.78	1.43	1.68	.80	1.44	2.07	1.48
November	1.51	1.83	2.28	.55	.94	.08	1.51	.61	.21	.78	1.43	1.68	.80	1.44	2.07	1.48
December	1.45	1.78	2.21	.55	.94	.08	1.47	.60	.21	.78	1.43	1.68	.80	1.44	2.07	1.48
1969																
January	1.49	1.74	2.08	.57	.84	.07	1.48	.59	.21	.87	1.01	1.48	.74	1.39	1.89	1.43
February	1.48	1.78	2.05	.57	.82	.06	1.47	.59	.21	.88	1.00	1.45	.74	1.37	1.87	1.43
March	1.44	1.73	2.04	.54	.80	.06	1.40	.58	.20	.88	1.00	1.38	.74	1.35	1.84	1.43
April	1.44	1.69	1.94	.55	.77	.06	1.44	.58	.20	.86	1.00	1.38	.74	1.35	1.84	1.43
May	1.44	1.68	1.92	.55	.77	.06	1.44	.58	.20	.86	1.00	1.38	.74	1.35	1.84	1.43
June	1.44	1.67	1.92	.55	.78	.06	1.42	.58	.20	.86	1.00	1.38	.74	1.35	1.84	1.43
July	1.40	1.60	1.87	.55	.77	.06	1.41	.58	.20	.86	1.00	1.38	.74	1.35	1.84	1.43
August	1.30	1.78	2.15	.52	.77	.06	1.41	.58	.20	.86	1.00	1.38	.74	1.35	1.84	1.43
September	1.49	1.74	2.11	.55	.80	.06	1.41	.58	.20	.86	1.00	1.38	.74	1.35	1.84	1.43
October	1.48	1.74	2.09	.57	.80	.06	1.41	.58	.20	.86	1.00	1.38	.74	1.35	1.84	1.43
November	1.48	1.73	2.13	.55	.80	.06	1.41	.58	.20	.86	1.00	1.38	.74	1.35	1.84	1.43
December	1.47	1.70	2.08	.55	.80	.06	1.42	.57	.20	.86	1.00	1.38	.74	1.35	1.84	1.43
1970																
January	1.47	1.71	1.90	.40	.70	.04	1.44	.58	.20	.87	1.02	1.40	.79	1.35	1.92	1.08
February	1.47	1.71	2.00	.45	.80	.04	1.42	.57	.20	.86	1.02	1.42	.77	1.37	1.90	1.09
March	1.51	1.74	2.00	.49	.88	.04	1.44	.58	.20	.87	1.05	1.42	.75	1.38	1.90	1.10
April	1.48	1.70	2.13	.50	.84	.04	1.42	.57	.20	.86	1.02	1.45	.77	1.32	1.88	1.09
May	1.61	1.77	2.13	.54	.84	.04	1.44	.57	.20	.87	1.05	1.41	.75	1.37	1.85	1.08
June	1.51	1.79	2.17	.58	.90	.04	1.44	.57	.20	.87	1.04	1.40	.70	1.37	1.88	1.08
July	1.33	1.60	2.18	.59	.90	.04	1.45	.58	.20	.89	1.06	1.40	.77	1.40	1.90	1.08
August	1.44	1.83	2.22	.59	.87	.04	1.46	.57	.20	.89	1.04	1.40	.78	1.36	1.92	1.09
September	1.54	1.82	2.21	.58	.86	.04	1.40	.57	.20	.89	1.08	1.40	.75	1.40	1.91	1.10
October	1.54	1.84	2.23	.57	.87	.04	1.48	.57	.20	.90	1.08	1.40	.75	1.37	1.90	1.09
November	1.55	1.85	2.25	.58	.88	.04	1.49	.57	.20	.90	1.08	1.40	.			